

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:992
ANSWERED ON:28.07.2000
CHEQUE BOUNCING CASES
GULAM MEHMOOD BANATWALLA

Will the Minister of FINANCE be pleased to state:

- (a) the number of cheque bouncing cases in the country and the amount involved therein during the last three years, bank-wise;
- (b) whether there is any proposal to strengthen the Negotiable Instruments Act to meet the situation of large volume of cheque bouncing; and
- (c) of so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI BALASAHEB VIKHE PATIL)

(a) The bouncing of a cheque takes place when the balance in the related bank account is not adequate to meet the amount for which the cheque is drawn. The dispute in such cases is between the drawer of the cheque and the payee of the cheque. The banks are drawees of the cheque and are not parties to the dispute. Further, having regard to the large number of Courts in the country empowered to deal with such cases as and when they are filed by the aggrieved parties, it is not considered practicable to obtain information regarding the number of cheque bouncing cases year-wise and bank-wise.

(b) & (c) There is no specific proposal at present to amend Section 138 of the Act which deals with the ingredients of the offence and prescribes the penalty therefore.